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BAUCUS SAYS NEW GAO REPORT SHOWS NEED FOR CHANGES TO TRADE ADJUSTMENT ASSISTANCE

Finance Chairman plans robust reauthorization effort in the coming months

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) said today that a new report from the Government Accountability Office (GAO) proves the need for sweeping improvements to the Trade Adjustment Assistance (TAA) program this year. TAA provides income support, job training, and other benefits to American workers if they are displaced due to international trade. The report noted particularly that many TAA applicants were denied benefits because they didn't work in the manufacturing sector, even though they may have had legitimate claims that trade had affected their jobs. GAO identified opportunities to extend TAA's reach to more workers, to make health care benefits more accessible, and to strengthen the provision that keeps workers' wages steady as they move to new fields. GAO also found room for improvement in the Department of Labor's administration of TAA.

"TAA has to respond better to the realities American workers face. Eight out of ten workers are in the services sector, and TAA should be available to them. Workers' health care costs are high, and we should put TAA's health coverage within their financial reach. And we should recognize that workers still have to pay the bills when they must change jobs," Baucus said. **"The Americans who power our modern economy should have access to the opportunities that TAA provides."**

GAO's report recommended that the Department of Labor do a better job of distributing TAA funds to states. Under the current allocation system, the amount states receive at the beginning of the year does not adequately reflect their spending the year before or the demand for training services in the state. The report urged Congress to allow TAA training funds to be used for case management services, to make sure individual workers are getting the help they need.

Baucus introduced TAA reauthorization legislation on the first day of the 110th Congress, and has signaled that his upcoming TAA legislation will improve the program in a number of areas, from health care to wage insurance. (For more information, [click here](#).) GAO found that fewer than one in ten TAA participants enrolled in the Health Coverage Tax Credit (HCTC) program. The report concluded that high out-of-pocket costs – the credit covers only 65 percent of a worker's premium – and the complexity of the tax credit may discourage workers from using the benefit. Baucus has recommended additional premium assistance for TAA participants, and GAO recommended more help for workers as they make decisions about purchasing health coverage.

GAO also found that in most states, TAA participants aren't getting the wage insurance that would keep their incomes steady as they change jobs. Several states reported that workers could not meet the program requirement that they find a job within 26 weeks. Baucus has already recommended that the deadline be extended.

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“Americans live in a different world than they did when President Kennedy first proposed help to trade-displaced workers in 1962, and our TAA policy needs to move with the times,” said Baucus. “The GAO’s recommendations are a step in the right direction. We need to make this important program more flexible and fair. Most importantly, we need to make it work for the American people in the globalized economy of today.”

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